

## UGU DISTRICT MUNICIPALITY

### MINUTES OF THE 58<sup>TH</sup> MEETING OF THE UGU DISTRICT MUNICIPAL COUNCIL HELD IN THE COUNCIL CHAMBERS, HIBISCUS COAST MUNICIPALITY, 10 CONNOR STREET, PORT SHEPSTONE, ON THURSDAY, 14 JULY 2016, AT 11H00.

#### PRESENT:

Cllr Y Nair - Acting Speaker

Cllrs NH Gumede (Exco Member), IM Mavundla (Exco Member), Dr SG Nyawuza (Exco Member), TM Cele, YL Duma, TN Dzingwa, GD Henderson, BE Machi, NA Madlala, ZA Mhlongo, MJ Mkhize, NP Mpanza, TD Mthuli, NY Mweshe, DH Njoko, VL Ntanza, FB Shezi, D Snashall and J van Vuuren.

#### IN ATTENDANCE:

|                 |   |  |
|-----------------|---|--|
| Mr DD Naidoo    | - | Municipal Manager  |
| Ms VP Tsako     | - | General Manager: Corporate Services                            |
| Ms Z Mbonane    | - | General Manager: Infrastructure and Economic Development (IED) |
| Ms L Cele       | - | General Manager: Water Services                                |
| Mr F van Rooyen | - | Acting General Manager: Treasury                               |
| Ms F Mbili      | - | Senior Manager: Corporate Strategy and Shared Services         |
| Mr F Zama       | - | Senior Manager: Mayoralty and Communications                   |
| Ms Z Dlamini    | - | Manager: Internal Audit  |
| Ms MS Olivier   | - | Manager: Legal Services  |
| Mr M Sakha      | - | Manager: ICT Projects  |
| Ms N Surajbally | - | Administrative Officer   |
| Ms T Kikine     | - | Committee Clerk  |

#### • OPENING

The Municipal Manager welcomed all to the meeting.

He informed Council that the Speaker, Cllr SB Cele was indisposed. He then invited nominations for an Acting Speaker.

Cllr Henderson proposed that Cllr Y Nair be elected as the Acting Speaker for the duration of the meeting and was seconded by Cllr Dzingwa.

There being no further nominations, Cllr Y Nair was elected as the Acting Speaker for the duration of the meeting.

The Acting Speaker welcomed all to the meeting.

He requested Cllr Machi to open the meeting in prayer.

The Acting Speaker then requested that a moment of silence should be observed for Cllr Rademeyer from Hibiscus Coast Municipality, who passed away due to illness and also for the eleven (11) residents from Umzumbe, who passed away in a car accident in Harding.

**C 134/07/16 NOTICE OF MEETING**

The notice of meeting was taken as read.

**C 135/07/16 APPLICATIONS FOR LEAVE OF ABSENCE**

It was noted that Cllrs E Moosa Bux (*indisposed*), NF Shusha (*indisposed*), SB Cele (*council business*), MA Chiliza (*council business*) and MB Gavu (*family commitment*) had requested leave of absence from the meeting.

From the Management component, it was noted that the Manager: Equity and Accounts was representing the General Manager: Treasury.

Following which,

It was unanimously

**RESOLVED:**

- (a) That Cllrs E Moosa Bux (*indisposed*), NF Shusha (*indisposed*), SB Cele (*council business*), MA Chiliza (*council business*) and MB Gavu (*family commitment*) be and are hereby granted leave of absence from the meeting.
- (b) That from the Management component, it was noted that the General Manager: Treasury had requested leave of absence from the meeting and that the Manager: Equity and Accounts was representing the General Manager: Treasury.

**C 136/07/16 DECLARATION OF INTEREST**

It was noted that there were none.

**C 137/07/16 CONFIRMATION OF AGENDA**

The Acting Speaker took members through the confirmation of the agenda.

The Municipal Manager advised Council that there was a First Addendum.

Following which,

It was unanimously

**RESOLVED:**

That the agenda convening the Ugu District Municipal Council meeting be and is hereby **CONFIRMED**, subject to the inclusion of the items listed on the First Addendum, and the Item on the Municipal Manager's Remarks under Item 16 of the agenda.

**C 138/07/16 Minutes of the 57<sup>th</sup> Meeting of the Ugu District Municipal Council held on 26 May 2016**

The Acting Speaker took members through the confirmation of the minutes.

Following which,

It was unanimously

**RESOLVED:**

That the Minutes of the 57<sup>th</sup> Meeting of the Ugu District Municipal Council held on 26 May 2016 be and are hereby **CONFIRMED**.

**C 139/07/16 Minutes of the Special Meeting of the Ugu District Municipal Council held on 09 June 2016**

The Acting Speaker took members through the confirmation of the minutes.

Following which,

It was unanimously

**RESOLVED:**

That the Minutes of the Special Meeting of the Ugu District Municipal Council held on 09 June 2016 be and are hereby **CONFIRMED**.

**C 140/07/16 MATTERS ARISING**

It was noted that there were none.

**C 141/07/16 OUTSTANDING MATTERS**

It was noted that there were none.

**STANDING ITEMS**

**C 142/07/16 SALGA Monthly Report: June 2016**

The Acting Speaker took members through the item.

Following which,

It was unanimously

**RESOLVED:**

That the SALGA Monthly Report for June 2016 be and is hereby **NOTED**.

**MATTERS FOR DISCUSSION**

**C 143/07/16 Extension of Banking Services 2011 to 2016**

The Municipal Manager apprised members that the banking tender had expired on 30 June 2016. He mentioned that due to other internal processes, the tender process could not be finalized on time. He further informed members that the item was submitted in order to seek approval for an extension of three (3) months with the current banking services.

Following which,

It was unanimously

**RESOLVED:**

- (a) That the report on the Extension of Banking Services 2011 to 2016 be and is hereby **NOTED**.
- (b) That the extension of the current banking services contract for a period of three months to allow the necessary processes to take place, be and is hereby **APPROVED**.

**C 144/07/16 Monthly Budget Statements – March 2016**

The Acting Speaker took members through the item.

Cllr Mavundla proposed that Item 9.2 and Item 9.3 should be noted, and that Item 9.4 should be discussed in detail.

Following which,

It was unanimously

**RESOLVED:**

- (a) That the Monthly Budget Statements for the month of March 2016 and the supporting documents as presented be and is hereby **NOTED**.

- (b) That the Monthly Budget Statements for the month of March 2016 and the supporting documents be submitted to both Provincial and National Treasury in both electronic and hard copy formats.

**C 145/07/16 Monthly Budget Statement: April 2016**

The Acting Speaker took members through the item.

Following which,

It was unanimously

**RESOLVED:**

- (a) That the Monthly Budget Statement for the month of April 2016 and the supporting documents as presented be and is hereby **NOTED**.
- (b) That the Monthly Budget Statement for the month of April 2016 and the supporting documents be submitted to both Provincial and National Treasury in both electronic and hard copy formats.

**C 146/07/16 Monthly Budget Statements – May 2016**

The Acting Speaker took members through the item.

Following which,

It was unanimously

**RESOLVED:**

- (a) That the Monthly Budget Statement for the month of May 2016 and the supporting documents as presented be and is hereby **NOTED**.
- (b) That the Monthly Budget Statement for the month of May 2016 and the supporting documents be submitted to both Provincial and National Treasury in both electronic and hard copy formats.

**C 147/07/16 Report on Financial Systems Compliance to mSCOA**

The Manager: ICT Projects took members through the item. He apprised members that in terms of the mSCOA requirements, the Municipality had conducted an assessment of the current financial systems. He mentioned that the assessment confirmed that the financial systems were non-compliant. He shared with members that Management then agreed that the financial systems should be replaced.

Following which,

It was unanimously

**RESOLVED:**

- (a) That the report on the Financial Systems Compliance to mSCOA be and is hereby **NOTED**.
- (b) That the withdrawal letter from Axnosis (Pty) Ltd be and is hereby **ACCEPTED**.
- (c) That the conclusion of an exit agreement with Axnosis (Pty) Ltd be and is hereby **APPROVED**.
- (d) That the replacement of the Municipality's core financial system with one that had an integrated revenue management system be and is hereby **APPROVED**.
- (e) That the postponement of the decision on the replacement of the Municipality's HR and Payroll System to after the final choice on the replacement financial system be and is hereby **APPROVED**.
- (f) That the report on the Financial System Compliance to mSCOA be and is hereby **ADOPTED**.

**C 148/07/16 Progress Report on mSCOA Project Implementation**

The Manager: ICT Projects took members through the item. He informed Council that the report was submitted in order for members to note the process of the mSCOA Project that was achieved at the end of April 2016.

Following which,

It was unanimously

**RESOLVED:**

- (a) That the Progress Report on the mSCOA Project Implementation be and is hereby **NOTED**.
- (b) That the Progress Report on the mSCOA Project Implementation be and is hereby **ADOPTED**.

**C 149/07/16 Unauthorized Expenditure 2015/2016**

The Acting General Manager: Treasury took members through the item.

He explained to members that the unauthorized expenditure for the 2015/16 financial year arose from contracts, which were grant funded whereby

variation orders that were not budgeted for were issued in order to complete the said contracts.

Following which,

It was unanimously

**RESOLVED:**

(a) That the report on the Unauthorized Expenditure of R6 574 561.41 for the financial year 2015/2016 be and is hereby **NOTED**.

(b) That the Unauthorized Expenditure of R6 574 561.41 for the financial year 2015/2016 be and is hereby **WRITTEN OFF**.

**C 150/07/16 Performance Management Final Quarterly Review FY 15/16**

The Acting Speaker took members through the item.

Following which,

It was unanimously

**RESOLVED:**

That the report on the Performance Management Final Quarter FY 15/16 be and is hereby **NOTED**.

**C 151/07/16 ITEMS FROM AMAKHOSI**

It was noted that there were none.

**EXTRACTS FROM COMMITTEES**

**Extracts from the Draft Minutes of the Meeting of the Executive Committees held on 13 July 2016**

**C 152/07/16 Irregular Expenditure to be Written Off**

The Acting General Manager: Treasury apprised members that the item related to all the Section 36 procurements, which were done by the Supply Management Unit. He mentioned that the item was submitted in order for Council to approve the Section 36 procurements in order for same to appear on the Financial Statements having been approved by Council.

Following which,

It was unanimously

**RESOLVED:**

That the report on the Performance Management for the Final Quarter of the 2015/2016 Financial Year be and is hereby **NOTED**.

**MINUTES FROM COMMITTEES**

**C 153/07/16 Minutes of the 76<sup>th</sup> Executive Committee Meeting held on 04 May 2016**

The Acting Speaker took members through the noting of the minutes.

Cllr Snashall referred members to page 172 of the agenda and pointed out with concern that the report on the Outsourced Meter Reading was not dealt with at the meeting of the Executive Committee held on 04 May 2016, yet the Municipality had a debtor's book of three hundred million rand. He then suggested that a report on the Outsourced Meter Reading should be submitted on a monthly basis.

Cllr Henderson referred members to page 174 of the agenda and enquired if the Agripark Concept Analysis and the location had anything to do with the Ugu Fresh Produce Market.

In response, the General Manager: Infrastructure and Economic Development explained to members that the current report incorporated both the Ugu Fresh Produce Market and the Horse Shoe Farm. She mentioned that the said project would support different projects across the District in different local municipalities. She shared with members that the main activity would be implemented at the Horse Shoe Farm but would be integrated with other projects including the Fresh Produce Market.

Cllr Snashall sought clarity if the Agripark Project would be implemented at the Horse Shoe Farm.

Responding, the Municipal Manager confirmed that the Agripark would be situated at the Horse Shoe Farm.

Cllr Snashall referred members to page 181 of the agenda, the Green Drop Improvement Strategy Report and pointed out with concern that Ugu District was the third worse Municipality in Kwazulu-Natal. He then enquired if there were any measures that would be considered given that Umbango was the worst plant within Ugu District.

The General Manager: Water Services pointed out that a correction should have been made on the cover and that same should have read as the Waste Water Treatment Plants. She informed members that Ugu District Municipality was No. 9 (nine) out of the (14) fourteen Water Service Authorities. She advised members that the report on the Improvement Strategy was presented to the meeting of the Executive Committee for the sole purpose of ensuring that



the scores were increased. She relayed to members that the said report also entailed the turnaround strategy and the improvement plans around the issues of service level agreements with the Municipality's electrical and mechanical suppliers in order to increase human resources in the operation and maintenance of the plants.

Cllr Henderson referred members to page 182, the Blue Drop Report and pointed out that the percentage had decreased from 92% to 66%. In terms of the resolution, he then raised a concern regarding the long list of the chain of command that was responsible for the monitoring of the Blue Drop.

The Municipal Manager explained to members that the official responsible for the Blue Drop now reported directly to the General Manager: Water Services in order to ensure that the General Manager: Water Services was also aware of any challenges.

After questions of clarity had been answered,

It was unanimously

**RESOLVED:**

- (a) That the Minutes of the 76<sup>th</sup> Executive Committee Meeting held on 04 May 2016 be and are hereby **NOTED**.
- (b) That a report on the Outsourced Meter Reading be submitted to the Executive Committee on a monthly basis.

**C 154/07/16 URGENT MATTERS**

It was noted that there were none.

**IN-COMMITTEE MATTERS**

**C 155/07/16 Extension of the term of the Audit Committee Chairperson**

*[Members unanimously moved for the proceedings to move in-committee.]*

The Acting Speaker took members through the item.

Following which

It was unanimously

**RESOLVED:**

- (a) That the report on the Extension of the term of office for the Audit Committee Chairperson be and is hereby **NOTED**.

- (b) That the term of office for the Audit Committee Chairperson, Mr Paul Preston be extended for a period of three (3) months starting from 01 July 2016 to 30 September 2016 be and is hereby **APPROVED**.
- (c) That the process to appoint a new audit committee member be and is hereby **APPROVED**.

*[Members unanimously moved for the proceedings to move out of committee.]*

**C 156/07/16 DATE OF NEXT MEETING**

It was noted that the date of the next meeting was scheduled for 25 August 2016.

**C 157/07/16 CLOSURE**  
**End of Term: Closing Remarks**

The Acting Speaker pointed out that the Councillors had served the Municipality for a period of five (5) years and had now reached the end of their term. He then requested that the Municipal Manager should share a few words pertaining to the said item.

- **Municipal Manager**

Taking over, the Municipal Manager took the opportunity to thank the Mayor for providing leadership and guidance to the Executive Committee. He pointed out that the Executive Committee had a good working relationship with the Management team, and as a result many goals were accomplished.

He expressed gratitude to Council for their continuous support that they had provided, also noting that there was still a lot that needed to be done from the Management team.

He also expressed thanks to Council for the level of respect they had shown towards the Administration including the space they had provided to the Management team in order for Management team to be able to conduct their work more effectively and efficiently.

- **Democratic Alliance (DA)**

Cllr Snashall took the opportunity to relay a few words on behalf of the Democratic Alliance. He advised Council that he would be retiring. He then drew the attention of the Council to the past seventeen (17) years, whereby he pointed out that the Councillors had grown over the years. He then took Council down memory lane, whereby he recalled the early days of the Margate TLC, where he had served with the current Speaker, Cllr SB Cele, and the previous Councillors, L Steyn and M Kriek.

He shared with members that in the first Hibiscus Coast term of office, they had learnt a lot from both Mr R Pillay and Mr DD Naidoo, who introduced the new Councillors to the Municipal Structures Act and the Municipal Systems Act, as well as the Municipal Finance Management Act.

He also pointed out that the new incoming Council would also be privileged to sufficient institutional knowledge, which would be of great assistance to them because of those who had been with the Municipality for many years.

He saluted the Mayor, Cllr NH Gumede for her achievements and her leadership skills and also for Umdoni Municipality obtaining a clean Audit under her leadership.

He also pointed out that he had learnt a lot from both Cllr Kobus van Vuuren and Cllr Moosa Bux. He further wished all parties great success towards the upcoming elections.

- **Inkatha Freedom Party (IFP)**

Cllr Machi applauded the manner in which the IFP Councillors were welcomed, given that they were free to share and express their views. She also passed words of gratitude to the Municipal Manager as well as his Management team for the support and guidance that they had provided.

She further apologised if there was anyone from the Councillor component and the Management component, who was offended by the Inkatha Freedom Party, and mentioned that same was not intentional but in the spirit of service delivery.

- **National Freedom Party (NFP)**

Cllr Zuma shared his words of appreciation to all members, whereby he pointed out that the members of the National Freedom Party were treated with the utmost respect. He also expressed thanks to the Mayor for providing such great leadership skills. He shared with members that he was satisfied with the outcome of the Audit report, although there was still room for more improvement.

At that stage of the proceedings, the Acting Speaker also took the opportunity to express his gratitude to Council for investing their faith in him to act as the Speaker in the absence of the Speaker, Cllr SB Cele. He also thanked Council for giving him the opportunity to serve as a member of the Portfolio Committee on Water and Sanitation.

He thanked all Councillors and Amakhosi for their inputs and support that they had provided at meetings.

From the Management Component, he expressed gratitude to the Municipal Manager including the Management team.

- **African National Congress (ANC)**

Cllr NH Gumede took the opportunity to thank all the Councillors who shared words of appreciation to all members. She also thanked the entire Council for their continuous support, the Municipal Manager, the Management team including the Secretariat Unit.

She pointed out to members that when she joined the Ugu District Municipality in year 2011, the Municipality was in great financial crisis. She therefore thanked all Councillors and the Management team for ensuring that the financial situation of the Municipality was stabilised.

She also pointed out to members that, in some instances she might have appeared to have been very harsh with Management; but it was for the sole purpose of ensuring that the Council together with the Management team strived towards ensuring that the objective of turning around the financial situation of the municipality was achieved.

She shared with members that the ANC had done their utmost best to accede to the vision in order to better the lives of communities within the Ugu District. She also pointed out that there were a number of projects that were still in the planning stages, which would be implemented.

In terms of the Green Drop and Blue Drop compliance, she pointed out that Management should ensure that there was improvement. She further thanked Council and Management for the support that they had given her during her term in office.

There being no further items for discussion, the Acting Speaker declared the meeting closed at 12h10.

**CHAIRPERSON:** -----

**DATE** :-----